

STATE OF IOWA  
PROPERTY ASSESSMENT APPEAL BOARD

**Christopher Conroy & Jennifer Conroy,**  
Petitioners-Appellants,

v.

**Dallas County Board of Review,**  
Respondent-Appellee.

**ORDER**

**Docket No. 10-25-0732**  
**Parcel No. 12-23-405-002**

On August 9, 2011, the above-captioned appeal came on for hearing before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Petitioners-Appellants, Christopher Conroy and Jennifer Conroy, requested a hearing and were self-represented. Christopher Conroy participated by telephone at hearing. The Dallas County Board of Review designated County Attorney Wayne M. Reisetter as its legal representative. Assessor Steve Helm represented it at hearing. Conroys submitted evidence in support of their position. The Appeal Board now having examined the entire record, heard the testimony, and being fully advised, finds:

***Findings of Fact***

Christopher and Jennifer Conroy, owners of property located at 15911 Winston Avenue, Urbandale, Iowa, appeal from the Dallas County Board of Review decision reassessing their property. According to the property record card, the subject property consists of a two-story, frame dwelling having 2792 square feet of living area. The property was built in 2005 and has a 739 square-foot, three-car attached garage with 364 square feet of living quarters over a part of the garage. The dwelling has a 2 quality grade factor and is in normal condition. The site consists of 0.348 acres.

The real estate was classified residential for the January 1, 2010, assessment and valued at \$329,980; representing \$51,780 in the land value and \$278,200 in the dwelling value. This was a change from the January 1, 2009, assessed value.

Conroy protested to the Board of Review on the ground that the property was assessed for more than authorized by law under Iowa Code section 441.37(1)(b). The Board of Review denied the protest.

Conroys filed their appeal with this Board on the same ground. Conroys claim \$305,000 is the actual value and a fair assessment.

Christopher Conroy testified he purchased the property in August 2009 and submitted the settlement statement as evidence. He said that the subject property was listed for sale on the multiple listing service and was purchased for \$305,000 and that it appraised for more than the purchase price. He submitted the appraisal dated July 2009 by Janelle Jacobsen, of Rels Valuation, Ankeny, Iowa. Jacobsen, who completed the appraisal for financing purposes, valued the property at \$310,000.

The appraisal uses four sales and two pending sales as comparable properties. The properties are all located within a half-mile of the subject property. The four sales all appear to be regular arm's length transactions, and the unadjusted sales prices range from \$300,000 to \$347,000. After adjustments for living area, basement and basement finish, and fireplaces the adjusted sales prices are \$299,500 to \$326,500. The appraiser noted that a value towards the middle to lower end of the range is considered for the subject property; and that Comparable 3 is not weighted heavily. After also doing a cost approach, which concluded a value of \$322,800, Jacobsen determines a final value for the property at \$310,000.

Conroy also commented on the Board of Review's Exhibit B. Exhibit B is a comparable grid with five sales chosen by the Board of Review to demonstrate the property is not over assessed.

Conroy was very critical of the five comparables. He believes the Board of Review failed to adjust the land of Comparable 1 for the size of green space, and he noted it is also assessed at \$20,000 below its sales price. Comparable 2 has a quality grade factor of 1 whereas the subject property has a quality grade factor of 2. Comparable 3, in his opinion, is not relevant because the property is located six blocks away, and he believes the adjustment for the basement finish is too low. Both Comparables 4 and 5 sold in mid-2010. Also, Comparable 5 is located one mile away from the subject property in a different subdivision. Finally, Conroy stated the Board of Review has no evidence or expert to support the assessed value.

Steve Helm, Dallas County Assessor, testified on behalf of the Board of Review. Helm testified that the subject property sale was a purchase from a bank. The settlement statement does show the sale was from Liberty Bank, FSB. He stated that banks do not want to hold property and that they sell at a lower price than an arm's-length transaction. He based this opinion on conversation he has had with Rick Wanamaker, a realtor, and Shawn Elmers, an appraiser.

Helm testified that a he and a staff member developed Exhibit B. He testified that the adjustment for the grid, such as basement finish, came from Iowa Realty's guide for realtors and conversations with appraiser Elmers. Helm believed the basement finish adjustment was reasonable based on conversations with Elmers and the guide. He did not make an adjustment on the chart for the quality for Comparable 2, but he agreed the adjustment could be as high as 20 %. Further, he stated that he uses the *Iowa Real Property Appraisal Manual* for determining assessments, not the realtor guide.

There was not testimony or statement from either Elmers or Wanamaker, and the Iowa Realty's Guide for Realtors was not introduced into evidence. We find that the Board of Review sales are not comparable and not adequately adjusted.

Helm testified that the overall sales ratio for Dallas County is 102% and Urbandale is at 100%. He also testified the foreclosure sales ratio is 114%.

We are mindful of the fact that foreclosure sales are not considered normal transactions and require either exclusion or adequate adjustments to be used as comparable sales. *See* Iowa Code 441.21(1)(b). However, in this case, an appraisal supports a fair market value of the home prior less than 5 months prior to the assessment date. The appraisal was not based on the fact that the property was a foreclosure as it uses arm's length sales as comparables. We find the Jacobsen appraisal is the best evidence in the record of the property's fair market value. Therefore, we adopt the appraisal value of \$310,000.

This Board at hearing requested the Dallas County Board of Review to send copies of the property record cards for the five sales used as comparable properties to this Board and the appellant. This Board issued an Order for this information on October 7, 2010, and received the information on October 17, 2011.

### ***Conclusions of Law***

The Appeal Board based its decision on the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2009). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determined anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment*

*Appeal Bd.* 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. *Id.* "Market value" essentially is defined as the value established in an arm's-length sale of the property. § 441.21(1)(b). Sales prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2). The assessed value of the property "shall be one hundred percent of its actual value." § 441.21(1)(a).

In an appeal that alleges the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(b), there must be evidence that the assessment is excessive and the correct value of the property. *Boekeloo v. Bd. of review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). We think it is clear from the wording of section 41.21(1)(b) that a sales price for the subject property in a normal transaction just as a sales price of comparable property is a matter to be considered in arriving at market value but does not conclusively establish that value. A sales price in an abnormal transaction is not to be taken into account unless the distorting factors can be clearly accounted for. *Riley v. Iowa City Board of Review*, 549 N.W.2d 289, 290 (Iowa 1996). We determine the record shows the property is over assessed as evidence by the market value appraisal report by Jacobsen. The appraisal does not reflect an abnormal purchase price from a lending institution. Rather, the appraisal reflects the market value of the subject property based on arm's length, comparable sales.

THE APPEAL BOARD ORDERS that the January 1, 2010, assessment of the Christopher and Jennifer Conroy property located in Urbandale, Iowa, as determined by the Dallas County Board of Review is modified to \$310,000.

The Secretary of the State of Iowa Property Assessment Appeal Board shall mail a copy of this Order to the Dallas County Auditor and all tax record, assessment books and other records pertaining to the assessment reference herein on the subject parcel shall be corrected accordingly.

Dated this 18 day of October 2011.

  
Richard Stradley, Presiding Officer

  
Jacqueline Rypma, Board Member

Copies to:

Christopher and Jennifer Conroy  
15911 Winston Avenue  
Urbandale, IA 50323  
APPELLANTS

Wayne M. Reisetter, County Attorney  
207 N 9th Street, Ste. A  
Adel, IA 50003  
ATTORNEY FOR APPELLEE

Gene Krumm  
Dallas County Auditor  
910 Court Street  
Adel, IA 50003

Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>10-18</u> , 2011.	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
	<input type="checkbox"/> Certified Mail <input type="checkbox"/> Other
Signature	